

Decision 01-07-009 July 12, 2001

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion Regarding
Commission Policy on Area Code Relief.

Rulemaking 98-12-014
(Filed December 17, 1998)

INTERIM OPINION

I. Summary

This decision finds that eight-digit dialing ("8-digit dialing") is not currently feasible, and that a proceeding should not be opened at this time to consider the adoption of 8-digit dialing.

II. Background

All telephone numbers in the United States must conform to the North American Numbering Plan (NANP).¹ To conform to the NANP, a telephone

¹ In the Matter of Policies and Rules Implementing the Telephone Disclosure and Dispute Resolutions Act, 8 FCC Rcd. 2331, Release Number FCC 93-87, ¶ 14. We take official notice of all orders of the Federal Communications Commission (FCC) referred to herein pursuant to Rule 73 of the Commission's Rules of Practice and Procedure (Rules). Each FCC order shall be identified hereafter by its Release Number (e.g., FCC 93-87).

number must have ten digits arranged as follows²:

NXX-NXX-XXXX

N = any digit 2-9

X = any digit 0-9

The first three digits of NANP telephone numbers comprise the area code. The next three digits comprise the central office code or “prefix.” The final four digits comprise the line number.³

Pursuant to Section 251(e) of the Telecommunications Act of 1996 (“the Act”), the FCC has exclusive jurisdiction over those portions of the NANP that pertain to the United States⁴:

The [FCC] shall create or designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis. **The [FCC] shall have exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States.** Nothing in this paragraph shall preclude the [FCC] from delegating to State commissions...all or any portion of such jurisdiction. (47 U.S.C. § 251(e)(1), emphasis added)

² FCC 95-283, ¶ 9. Certain telephone numbers, such as 411 and 911, are exempt from the general requirement that all NANP telephone numbers have 10 digits.

³ 47 C.F.R. § 52.7. Although telephone numbers must have 10 digits, neither industry practice nor state or federal rules require that 10 digits be dialed for every call. For example, California telephone subscribers currently dial 7 digits (i.e., NXX-XXXX) for calls to a telephone number within the same area code, and 11 digits (i.e., 1+NXX-NXX-XXXX) for calls to a telephone number in a different area code.

⁴ The Commission recognized the FCC’s plenary jurisdiction over numbering issues in Decision (D.) 99-12-051, Finding of Fact 7, and D.99-12-049, *mimeo.* p. 6.

The FCC has used its authority under § 251(e)(1) of the Act to delegate to the States the responsibility for introducing new area codes when the supply of telephone numbers in existing area codes becomes exhausted.⁵ The FCC has also promulgated regulations to govern the introduction of new area codes by the States. The FCC regulations pertinent to this decision are as follows:

State commissions may resolve matters involving the introduction of new area codes...Such matters may include...[d]irecting whether area code relief will take the form of a geographic split, an overlay area code, or a boundary realignment; establishing new area code boundaries; establishing necessary dates for the implementation of area code relief plans; and directing public education efforts regarding area code changes. (47 C.F.R § 52.19(a))

New area codes may be introduced through the use of:

(1) A geographic area code split, which occurs when the geographic area served by an area code...is split into two or more geographic parts; (2) An area code boundary realignment, which occurs when the boundary lines between two adjacent area codes are shifted to allow the transfer of some central office codes for which few or no central office codes are left for assignment; or (3) An area code overlay, which occurs when a new area code is introduced to serve the same geographic area as an existing area code, subject to the following conditions: (i) No area code overlay may be implemented unless all central office codes in the new overlay area code are assigned to...entities...on a first-come, first-serve basis...No group of...carriers shall be excluded from assignment of central office codes in the existing area code, or be assigned such codes only from the overlay area code, based solely on that group's provision of a specific type of...service or... technology; and (ii) **No area code overlay may be implemented unless there exists...mandatory ten-digit dialing for every telephone call within and between all area codes in the**

⁵ There are 10 million phone numbers potentially available within an area code, but many of the prefixes are reserved for special uses (e.g., 911). As a result, each area code has 7.92 million phone numbers available for assignment to customers.

geographic area covered by the overlay area code.
(47 C.F.R § 52.19(c), emphasis added)

On December 17, 1998, the Commission issued Order Instituting Rulemaking 98-12-014, which established this proceeding for the purpose of considering policy options to govern the implementation of new area codes. On May 4, 1999, Gilbert J. Yablon filed a motion in this proceeding in which he asked the Commission to allow 8-digit dialing as an option for all calls within an overlay region. Yablon states that subscribers would use 8-digit dialing by dialing the usual 7-digit phone number followed by a suffix digit to indicate the desired area code. The following is an example of how 8-digit dialing could be applied to the 310/424 NPA:

- ◆ To reach a number in the 310 area code: dial the 7-digit number + “0” (e.g., 956-1234-0).
- ◆ To reach a number in the 424 area code: dial the 7-digit number + “1” (e.g., 956-1234-1).
- ◆ For future overlaid area codes in the region: dial the 7-digit number + “2” (or “3” or “4” or “5” etc.).
- ◆ Calls to/from regions outside the 310/424 NPA: callers inside the 310/424 NPA would have to use 10-digit dialing to reach a number outside the 310/424 NPA; and callers outside the 310/424 NPA would have to use 10-digit dialing to reach a number inside the 310/424 NPA.

On June 29, 1999, the assigned Administrative Law Judge (ALJ) issued a ruling that took the following actions. First, the ruling denied Yablon’s motion to consider in this proceeding the issue of whether to adopt 8-digit dialing. Second, the ruling allowed Yablon and other parties to file comments on whether 8-digit dialing is feasible. Finally, the ruling notified the parties that the Commission

would use these comments to decide whether, and to what extent, 8-digit dialing would be considered in a future proceeding.

Yablon filed comments on July 23, 1999. GTE California Incorporated (GTE) and Pacific Bell (Pacific) filed reply comments on August 6, 1999. Yablon filed rebuttal comments on August 20, 1999.

III. Position of the Parties.

Yablon states that overlays have the advantage of providing area code relief without requiring customers to change their 7-digit phone numbers. The disadvantage is that customers must use 10-digit dialing for all calls within an overlay region, which causes disruption, frustration, and expense to telephone users. Yablon claims that 8-digit dialing would help make living with overlays easier by preventing misdials. For instance, in standard 10-digit overlays, many customers habitually dial familiar 7-digit numbers and end up having to hang up and re-dial using 10 digits. In the 8-digit overlay, habitual dialing of 7-digit numbers is not a problem. After dialing 7 digits, customers enter the one-digit "area code selector." If customers forget to enter the eighth digit, an announcement could be provided to remind customers to enter the eighth digit, and the call would be completed without frustration.

Yablon states that 10-digit dialing should remain available alongside 8-digit dialing so that customers would never have to hang up and redial, regardless of the format they begin dialing with.⁶ Thus, backward compatibility with previously established dialing patterns is maintained, thereby minimizing customer

⁶ Yablon states that if the "area code selector" digit is inadvertently entered at the end of a 10-digit dial, the selector digit would be ignored and the call routed to the 10-digit number that was dialed.

frustration and expense. Yablon states that this feature would also allow visitors who are not familiar with 8-digit dialing to dial any number.

Yablon asserts that 8-digit dialing conforms to the 10-digit structure of the NANP. This is because the new 8th digit is used only for dialing, and does not become part of the 10-digit NANP telephone number. Hence, as with telephone numbers currently dialed with 7 digits, a telephone number dialed with 8 digits would be treated as a 10-digit telephone number that complies with the NANP.

Yablon states that 8-digit dialing is compatible with local number portability and number conservation measures. This is because numbers dialed with 8-digits would always be treated as standard 10-digit NANP numbers. Thus, the network would interact with the 8-digit number as if 10 digits had been originally dialed.

Yablon believes that the Commission has authority to implement 8-digit dialing, since the impact of the 8-digit dialing does not affect costs, switching, or dialing for any customers or telephone companies outside of California. Yablon states that if the Commission does not have authority to implement 8-digit dialing, the Commission could petition the FCC for a waiver of the FCC's requirement to dial 10 digits for all calls within an overlay region.

Yablon acknowledges that telephone companies would incur costs to implement 8-digit dialing. Yablon believes, however, that the cost to implement 8-digit dialing would not be significantly different in the long run than what it would cost to implement standard overlays with 10-digit dialing. Yablon also acknowledges that the public would have to be educated about 8-digit dialing, but Yablon claims the education effort for 8-digit dialing would not have to be any more expensive than the education effort required for standard overlays with 10-digit dialing.

GTE and Pacific oppose 8-digit dialing. They state that 8-digit dialing is not compatible with the current network, and that it would be costly to upgrade the network to accommodate 8-digit dialing. For example, the network would have to be modified to provide the interactive recorded announcement proposed by Yablon if an eighth digit is not dialed. According to Pacific, current network equipment can provide an announcement, but the equipment cannot operate like voice mail or other telephone answering systems that allow customers to make various choices by pressing numbers on their phone set. Pacific states that it would be very costly to add equipment to the network that would allow this type of interactive system.

Pacific asserts that 8-digit dialing would be very confusing for customers who would be using three different dialing patterns: 7-digit dialing in areas without overlays, 8-digit dialing in areas with overlays, and 10-digit dialing between geographically separate area codes. Pacific states that tourists and other visitors would also face this array of dialing patterns, but would have no experience with 8-digit dialing.

Pacific asserts that 8-digit dialing does not comply with the FCC's requirement for mandatory 10-digit dialing for every call made within an overlay. According to Pacific, the FCC would have to waive or eliminate this requirement in order for 8-digit dialing to be implemented.

Finally, GTE and Pacific state that 8-digit dialing has already been reviewed and critiqued by the California Telecommunications Industry and the national Industry Numbering Committee. Both reviews found that 8-digit dialing has significant technical issues and should not be pursued further.

IV. Discussion

The issue before us is whether 8-digit dialing is feasible. If we find that 8-digit dialing is feasible, then we must decide whether to open a proceeding to consider if 8-digit dialing should be adopted.

A threshold issue in deciding if 8-digit dialing is feasible is whether the FCC's requirement for mandatory 10-digit dialing in overlay regions precludes the use of 8-digit dialing. If the FCC does not allow 8-digit dialing, then we may conclude that 8-digit dialing is not feasible, and there is no need for us to examine other issues pertaining to the feasibility of 8-digit dialing (e.g., whether 8-digit dialing can be implemented at a reasonable cost and without undue customer confusion).

We have carefully reviewed the FCC's orders and regulations pertaining to the 10-digit dialing. Based on this review, we find that the FCC's requirement for mandatory 10-digit dialing for all calls within an overlay region precludes the use of 8-digit dialing on either a standalone basis or as an adjunct to 10-digit dialing.⁷ While we have some doubts about the FCC's authority to preclude the States from adopting 8-digit dialing as an adjunct to 10-digit dialing, it would be problematic for the Commission to require telephone companies to implement 8-digit dialing when the FCC prohibits telephone companies from providing this very service.⁸

⁷ 47 C.F.R. § 52.19(c)(3)(ii); FCC 00-429, ¶¶ 70; FCC 99-243, ¶¶ 3, 8, 28-45; FCC 99-122, ¶¶ 107, 122-126; FCC 96-333, ¶¶ 20, 286-87, 315-317; and DA 00-477, DA 98-2141, DA 98-1434, and DA 97-675.

⁸ We are not persuaded by Yablon's argument that the Commission has authority to implement 8-digit dialing since the impact of the 8-digit dialing is entirely intrastate. The FCC has asserted jurisdiction over dialing patterns in overlay regions, which makes the Commission's assertion of jurisdiction over this matter problematic.

Until we have clear authority to require telephone companies to offer 8-digit dialing, 8-digit dialing is not a feasible option.

Since we find that 8-digit dialing is not feasible, there is no need to open a proceeding to consider if 8-digit dialing should be adopted. But even if 8-digit dialing were feasible, it is premature to consider whether to adopt 8-digit dialing. There are currently no overlays in California, and it is possible that there never will be overlays in California due to (1) the Commission's efforts to avoid the need for new area codes through number conservation,⁹ and (2) the significant disadvantages of overlays.¹⁰ Until there is a firm prospect for an overlay in California, the issue of whether to adopt 8-digit dialing is not ripe for consideration.¹¹ Since the adoption of 8-digit dialing is not ripe for consideration,

⁹ D.00-07-052, *mimeo.*, p. 1, and D.01-06-058 *mimeo.*, p. 4.

¹⁰ The Commission has repeatedly found that overlays have significant disadvantages. (See, for example, the following: D.96-12-086, Finding of Fact (FOF) 24; D.97-09-050, *mimeo.*, pp. 4-5; D.97-12-100, *mimeo.*, p. 3; D.98-05-021, *mimeo.*, pp. 35-36; D.98-06-018, *mimeo.*, pp. 18, 20; D.98-10-061, *mimeo.*, pp. 4-5; D.99-03-059, *mimeo.*, pp. 22-23; D.99-07-017, FOFs 16-18; D.99-09-067, *mimeo.*, pp. 1, 8, 9, 11, and 19; D.99-10-022, *mimeo.*, pp. 4, 5, 14, 15, and 16; D.99-12-049, *mimeo.*, pp. 25, 26, and 27; D.99-12-051, *mimeo.*, pp. 1, 2, 6, 7, 9, 20, and 21; D.00-01-023, *mimeo.*, pp. 7, 8, 9, and 10; D.00-03-057, *mimeo.*, pp. 5 and 6; and D.00-09-073, *mimeo.*, pp. 5, 6, 7, and 8.) While 8-digit dialing might mitigate some of the disadvantages of overlays, 8-digit dialing would not eliminate the disadvantages (e.g., dialing extra digits to place a local call). Further, the possible benefits of 8-digit dialing might be offset, at least in part, by some of the shortcomings of 8-digit dialing described by Pacific and GTE.

¹¹ Overlays have been implemented in several other States. If 8-digit dialing offers significant advantages as Yablon claims, there may be an opportunity for telephone companies to develop a custom calling service that allows subscribers to "speed dial" 10-digit telephone numbers using 8-digit dialing. A similar opportunity may exist for the suppliers of customer premises equipment to develop and market equipment that provides 8-digit dialing.

we decline to adopt Yablon's suggestion that we formally petition the FCC for authority to implement 8-digit dialing.

V. Public Utilities Code Section 311(g)

Section 311(g)(1) requires the draft decision to be (i) served on all parties, and (ii) subject to at least 30 days of public review and comment prior to a vote of the Commission. The draft decision of ALJ Kenney was mailed on June 5, 2001.

Opening comments were filed by Yablon and Carlos Lopez. There were no reply comments. These comments have been reflected, as appropriate, in the final decision adopted by the Commission.

Findings of Fact

1. There are no overlays in effect or being implemented in California.
2. The Commission has repeatedly found that overlays have significant disadvantages.

Conclusions of Law

1. The FCC requires 10-digit dialing for almost all calls in overlay regions. The only exemptions from the FCC's 10-digit dialing requirement are 411 calls, 911 calls, and a few other limited exemptions.
2. The FCC's requirement for mandatory 10-digit dialing for almost all calls in overlay regions precludes the use of 8-digit dialing in overlay regions.
3. Eight-digit dialing is not feasible at this time for the reason set forth in the previous Conclusion of Law.
4. The issue of whether 8-digit dialing should be implemented in California is not ripe for decision because (i) the FCC prohibits 8-digit dialing, and (ii) there are no overlays either in effect or being implemented in California.
5. The Commission should not open a proceeding at this time to consider the adoption of 8-digit dialing.

6. The Commission should not petition the FCC at this time for authority to implement 8-digit dialing.

7. The following order should be effective immediately.

INTERIM ORDER

IT IS ORDERED that:

1. A proceeding shall not be opened at this time to consider the adoption of 8-digit dialing.

2. The Commission shall not petition the Federal Communications Commission at this time for authority to implement 8-digit dialing.

This order is effective today.

Dated July 12, 2001, at San Francisco, California.

LORETTA M. LYNCH
President
HENRY M. DUQUE
RICHARD A. BILAS
CARL W. WOOD
GEOFFREY F. BROWN
Commissioners